

# OHIO HUB CONNECTOR

Keeping HUD Partners Connected

Fall 2009

#### Inside this issue:

Section 202 Cele-	2
brates 50th Anniver-	

Lifetime Sex Offenders banned from HUD Subsidized Housing

Green Building Con-3 cepts

3 Ross County Celebrates Senior Housing

Preparing for Annual **Financial Statements** 

Heating Assistance **Programs** 

Successful Transformation

Sunbury Park Cele-5 brates 10th Anniversary

**RHIIP Updates** 6

**ALCP Grant Provides** Assisted Living Services

**Development Corner** 7

Neighborhood Net-7 works Recognized

#### DIRECTOR'S CORNER

By William Hughes

First and foremost I would like to offer a thank you, not only to the HUD staff but all of our partners as well. Goal wise the Columbus Hub had a good year in spite of the current financial crisis. HUB wide we were third in production closings for the nation. HUD staff again completed more Management Reviews than during the prior year, and the ratings received by our properties were an improvement from previous years. This reflects additional effort on the part of both HUD and our partners.

This is an extremely difficult time due to present economic conditions. It is more difficult invaluable program. at this time to successfully close on the financing of new properties, and also more difficult to keep existing properties in good physical condition and operating positively financially. It is extremely important that we continue to communicate and keep each other informed concerning all proper-

ties. Last year two of this office's goals were to communicate better and be more responsive. While I believe we have progressed in these areas, we still have room for improvement. Therefore, we will continue to work on these challenges. It is important that we all continue to seek new and more efficient ways to do business.

Fortunately, we have an opportunity this year to celebrate the 50<sup>th</sup> year of the 202 program. Some of the many celebrations of the 202 anniversary have taken place and more will follow. We are proud to be able to continue to serve the country with this

Also coming up, the annual Midwest Lenders Conference will be in Columbus for 2010. We are looking forward to another opportunity to meet with the Director's and staff of other offices as well as key housing partners.

At this time, we remain under

a continuing resolution, as the 2010 HUD budget has not yet been approved. However, many administrative changes have taken place, with the emphasis on quality and short and long range solutions to situations that impede our ability to efficiently serve our clients. Locally, we have lost a large number of staff to retirement this year and therefore we are now in the process of hiring replacements. Although we regret losing experienced staff and their expertise, we are invigorated by the opportunity to bring to you new quality HUD representatives. Please give our new staff your patience and cooperation as they get settled into their new positions. I believe that with all of us working together we will be in a good position to continue to make a positive impact on those who need homes, now, and into the New Year.



# **Deputy Secretary Ron Sims Visits Cleveland Field**

By Pamela Ashby

During a recent visit to Ohio, HUD's Deputy Secretary Ron Sims took time from his busy itinerary to greet field office staff in Cleveland. During his remarks, the Deputy Secretary conveyed an inspiring message of transformation for the Department and indicated that the changes would be occurring at a swift pace. Touting a new focus for HUD to be recognized as a community development agency, Sims espoused the Department's need to become more of a partner rather than a regulator. He further stated that

the Secretary is working to assure that funding for Departmental staff resources would be in place to afford that quality service would be available for HUD's customers throughout the year. Sims acknowledged that the agency must be seen as an advocate within the community, one which is involved in promoting the quality of life of area neighborhoods and not just housing development. To that end, the Deputy Secretary spoke of fostering partnerships with intra-agency Departments such as Health and Human Services, the Department of Energy, Education and the Vet-

eran's Administration. Calling for HUD to be a "catalyst for change," Sims asserted that the Department would be a leader amongst all the Cabinet agencies.



Mr. Hunley with Dep. Sec. Sims

#### "50th" Anniversary Celebration for Section 202 Housing

By Robert Hawthorne

A local "50<sup>th</sup> Anniversary Celebration" for the Section 202 housing development program was held on October 9, 2009 hosted by the Cleveland Program Center. The Section 202 program was created by the National Housing Act of 1959 as our nation's first major program to provide housing for low income elderly. Doug Shelby, Field Office Director in Cleveland, gave introductory remarks followed by Pam Ashby, Multifamily Director, who spoke about the history of Section 202 from HUD's perspective and some of the Cleveland Office's successes with the program. Supervisory Project Manager John Schuster presented a plaque to The Westerly, the first and oldest Section 202 project developed through the Cleveland Office. John also presented a plaque to Abundant Life of Perrysburg, the first Section 202 Capital Advance project closed in Cleveland.

Several HUD community partners took part as well. Richard Chase, a Section 202 consultant and attorney, shared a number of his experiences with this program over the past 30 years. Dave Fagerhaug representing Famicos Foundation, a well established affordable housing organization in Cleveland, gave a PowerPoint presentation featuring Notre Dame Apartments, Cleveland's first Section 202



Left to Right: Earlene Bergman, Property Manager of Ivy Plaza, Douglas Shelby, Field Office Director Cleveland Office, Lurie Goggins, Property Manager of Eliza Bryant Apartments

Mixed Finance project. Notre Dame was converted from an old, vacant school building into a unique neighborhood hub, providing housing not only for the elderly, but for community families as well.

The celebration culminated with a light lunch provided by the Cleveland Office that included a large cake to honor the 50th Anniversary of the Section 202 Program. The Section 202 anniversary celebration occurred in conjunction with Habitat Week, which was also observed by the

Cleveland Field Office.

The Ohio Multifamily hub office, in Columbus, will also take the opportunity to recognize the importance of ensuring that seniors have an affordable housing option. HUD personnel and our community partners will gather at a local elderly property. This celebration will take place at Kettering Park Manor, in Kettering Ohio, on Tuesday, January 20, 2010, at 12pm.

# Lifetime Sex Offender Registrants NOT Allowed in HUD-Subsidized Housing

By James J. Sanfilippo

Please keep in mind that 24CFR5.856 speaks to HUD property owner responsibilities regarding convicted sex offenders. Most importantly, owners of HUDsubsidized housing properties must have tenant selection standards that prohibit the tenancy of a household which includes a member subject to a lifetime registration requirement under a State sex offender registration program. To help determine which applicant household may be affected, criminal history background checks on applicants must be performed in the State where the HUD-subsidized housing is located, and in other States where the household members are known to have resided.

Pertaining to existing tenants, 24CFR5.861 states that owners of HUD-subsidized housing: "may terminate tenancy and evict the tenant through judicial action for criminal activity by a covered person in accordance with this subpart if you determine that the

nal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying a criminal conviction standard of proof of the activity".

Section 2950.132, "Conformity of Ohio sex registration laws to federal laws", of the Ohio Revised Code (ORC) says that Ohio's sex offender registration and notification requirements must be consistent with, and not less stringent than, the federal Sex Offender Registration and Notification Act (SORNA). The ORC extends said requirements to "any regulation, guideline or standard that interprets or applies the federal Sex Offender Registration and Notification Act."

The Sex Offender Registration and Notification Act (SORNA) is Title I of the Adam Walsh Child Protection and Safety Act of 2006 (Public Law 109-

covered person has engaged in the crimi- 248), SORNA "provides a comprehensive set of minimum standards for sex offender registration and notification in the United States."

> HUD additionally supports SORNA by way of its Notice H 2009-11 (equals Notice PIH 2009-35(HA)), entitled "State Lifetime Sex Offender Registration", and by its HUD Handbook 4350.3, "Occupancy Requirements of Subsidized Multifamily Housing Programs", specifically in Chapter 4, "Waiting List And Tenant Selection", and Chapter 8, "Termination".

Lifetime Sex Offender Registrants are not allowed to reside in HUD-subsidized housing. It's a federal (national) and state law. HUD strongly encourages all owners to familiarize themselves and property management of all relevant legislation.

#### Green Building Concepts - Community and Site Planning

#### By Bonitta Stearns-Churchill

Today, more than ever, Green Building concepts are coming to the forefront in the minds of developers. This is understandably so because of the many benefits it brings, such as reduced operating costs, improved occupant productivity, optimized life-cycle economic performance, enhanced occupant comfort and health, heightened aesthetic qualities, and minimized strain on local infrastructure. Therefore, HUD encourages all our development and ownership partners to incorporate Green Building concepts whenever possible into the HUD housing stock.

There are several terms that are synonymous with Green Building such as "sustainable", "high performance", and "environmentally responsive". All these terms are coterminous, as the goal is the same – a building that is more efficient, cost effective, and healthy. Although the best results can be achieved during the design and development stages, Green Building can be beneficial when introduced at any point in the life-cycle of a structure. To this end, this is the first in a series of Ohio Multifamily Hub Newsletter articles discussing these concepts. For those interested in developing new properties, this discussion should be especially helpful. For those with existing structures, keep in mind that there may come a time when your property must be augmented or expanded, and employing Green Building concepts could generate considerable long term cost savings.

In this first article, we will be looking at community and site planning. Developers can incorporate Green ideas in site selection, such as connecting open spaces that preserve or create natural life, incorporating walking trails, or saving underdeveloped land. Green site selection may also include locating near existing parks or mass transit as a benefit to the commu-

nity.

Additionally, increased unit density is a popular Green Building concept as it promotes more efficient land use and reduces the use of natural resources. Also, it promotes the protection and enhancement of natural systems, reduces the need for certain types of infrastructure, and cuts down on some long-term maintenance. Increased density can also cut energy consumption, as it reduces structural surface area.

Site planning should also take advantage of sun, breezes, rain, snow, views, underground water drainage, and soil type to maximize the natural features of the site. Some aspects to keep in mind regarding site planning are the following: auto and pedestrian access, utility service entrances, solar & wind availability, views, wind buffers, shading, etc.

Various studies have shown that proper landscaping can save up to 25% on energy costs. The shrewd planner learns to take advantage of a site's natural existing features in order to optimize their benefits and add value to the property. When adding vegetation, the design, placement, and species selection of water-efficient vegetation can be used as climate control for the site. Consider the following:

- Increased vegetative ground coverage can reduce sunlight reflection and heat build-up.
- •Tree shade in the east, west, southeast, and southwest can help cool in summer months.
- •Vine shade along the east side of a structure can help to eliminate the effects of solar heat.
- •Use of shrubs as windbreaks on the north side of a lot can help reduce the effects of cold northern winds.
- •Major glass oriented within 20 degrees of due south can help magnify

the solar heat rays for reduced heating costs.

Generally, minimizing the amount of paved areas is beneficial as it reduces ongoing maintenance costs and diminishes the "heated island effect". Additionally, developers should take advantage of recycled and lighter colored materials for the paving that they must do. The planting of any extra vegetation will have a similar cooling effect.

Storm water management is another important consideration in Green Building planning. Storm water is any precipitation that will not soak into the ground, but flows along the surface of the ground. Green Building in storm water management concerns the reduction of run-off and pollutants, minimizing site disturbance, and the preservation of existing topography, vegetation, and landscape. The creation of natural filtration and the use of sheet flow can help to reduce storm water piping. Please note that storm water systems design should always involve a check with local authorities to ensure compliance with relevant drainage master plans.

There is a misconception that the implementation of Green Building features is expensive and cost prohibitive. This is not always true, as was demonstrated in the above brief examples. Incorporating nominal ideas and concepts can cost very little, but still make an extreme difference in long-term cost savings. The key is to research and plan ahead in order to determine what Green Building concepts can be implemented most efficiently for your particular project.



# **Ross County Celebrates New Senior Housing**

#### By George Bush

Capitol Crossing Apartments is a new 15-unit property for the elderly funded under the Section 202 Capital Advance program. Located on Maple Street in Frankfort, Ohio, the property opened on August 3, 2009 and at this time over a third of the units are occupied. Each unit includes a utility room with washer/dryer hookup, a patio and additional storage space. The project has a community room and an on-site rental man-

agement office. Capital Crossing is owned and sponsored by Capitol Crossing Senior Affordable Housing, Inc. Lucinda Baughn serves as the Executive Director. It is managed by Adams, Brown Counties Economic Opportunities, Inc., with Executive Director Alvin M. Norris. An Open House is planned for December 17, 2009, to celebrate the addition of this valuable housing to the Ross County community



Capitol Crossing Apartments

#### Preparing for the Submission of Annual Financial Statements

#### By David Tentler

With the calendar year coming to a close, it is time for many owners and agents to start thinking about the dreaded year-end audit. Because many properties have a fiscal year end of December 31, this is a good time for many to begin gathering all the information necessary for an Independent Public Accountant (IPA) to conduct the audit. All projects with a Regulatory Agreement currently in effect and all properties with Housing Assistance Payments (HAP) Contracts that were assigned after January 6, 2005 are required to file annual financial statements. In addition, some projects have original HAP contracts with language that requires the submission of annual audited financial statements. All required audited annual financial statements must be submitted within 90 days after fiscal year end. The responsibility of submitting the audited financial statement on a timely basis falls on the shoulders of the owner so it is imperative that the owner be properly prepared in order that the Independent Public Accountant can properly conduct the audit.

There are many things that the owner can do to be prepared for the annual financial statement audit. First, make sure the appropriate email addresses are shown in iREMS. If owners are unsure whether this

information is correct, please contact your HUD project manager. Once the audit is completed, a letter is sent to this email address. If there are compliance findings, a response is needed within 30 days of the date of this letter. Therefore, it is essential that this email address is reflected accurately. Secondly, make sure an ownership representative has access to the Real Estate Assessment Center (REAC) system. Test it and confirm access. If the password is incorrect or has been misplaced, make sure you reset the password on the REAC website at <a href="http://www.hud.gov/offices/reac/">http://www.hud.gov/offices/reac/</a>. Remember that at times, access is denied due to an extended lack of activity and new access must be requested.

In gathering information for the auditor, make sure all necessary documentation and supporting information is current and complete. Confirm that copies of all Reserve for Replacement approvals for the current fiscal year are available. Approvals are documented on a form HUD-9250. Please keep in mind that in accordance with HUD Handbook 4350.1, paragraph 4-17 C, all Reserve for Replacement withdrawal requests should be made at least 60 days before the close of the project's fiscal year so they can be reviewed and returned prior to fiscal year end. Also, make sure the management certification is current and

approved. In addition, any loans the project has received must have prior written approval by HUD. Further, all payables with a due date of more than one year must be reflected as a long-term payable. Often times, these payables show up as short-term payables which in turn affects the surplus cash computation. Finally, make sure your auditor identifies all miscellaneous accounts, especially ones where the amount is more than \$1,000 in a given category.

As a final point, once you receive the letter indicating that the audit has been received, please review it and determine if a response is necessary. If there are compliance findings present, please respond to your project manager within 30 days of receipt of the letter. Please keep in mind that regardless of whether there is any compliance findings reported, the project manager still reviews the financial statement and may still have questions that need to be clarified. Additionally, if you did not receive the letter through email, recheck the address you submitted, as this indicates that electronic delivery failed. Hopefully, by following the above guidelines both prior to the start of an audit and once the audit is completed, the audit process will run smoother for everyone.

# **Heating Assistance Programs**

#### By Nina Craddolph

As winter approaches and temperatures decline, many households are faced with significant financial challenges as they attempt to heat their homes. For individuals whose household income is at or below 150% of the Federal Poverty level, there is a little relief...

The Percentage of Income Payment Plan (PIPP) is an energy assistance program that requires gas and electric companies which are regulated by the Public Utilities Commission of Ohio (PUCO) to accept affordable extended monthly payment plans based on a percentage of the household's income. The Ohio Department of Development (ODOD) is responsible for verifying and re-verifying incomes annually; with the exception of participants whose income is zero. These households must re-verify every 90 days.

To be eligible for PIPP, a participant must use gas or electric as the household's primary or secondary heat source. During the winter months of November through April, if gas is the primary heat source, a

PIPP participant will pay 10 percent of their monthly household income toward their gas bill and 3 to 5 percent toward their electric bill (most PIPP participants will pay 3 percent). If electricity is the primary source of heat, the PIPP payment will be 15 percent of monthly household income. Between the months of May and October participants will pay their total monthly bill or PIPP payment, whichever is greater.

In addition to applying for PIPP, many households should consider the Home Energy Assistance Program (HEAP), a onetime benefit. The amount of the benefit depends on total household income, family size and type of fuel used to heat the home. HEAP is a federally funded program also designed to assist eligible low-income individuals with their winter heating bills. To qualify, household income must be at or below 200% of the federal poverty guidelines. Applications for HEAP are located at local libraries, post offices or on the website: www.odod.state.oh.us. For additional information, call HEAP toll-free at 1.800.282.0880, M-F (7AM-5PM). For

the hearing-impaired with TDD call toll-free at 1.800.686.1557.

Finally, households should know that many local Community Action Agencies (CAA's) continue to take part in the Winter Crises Program, formerly the Emergency Energy Assistance Program (E-HEAP). The Winter Crisis Program pays \$175.00 toward disconnected service or toward bills for households that are threatened with disconnection, and new and/or transferred service. Participants must be income eligible for this program and the benefits are applied toward both gas and/or electric service. Franklin County's CAA is Impact Community Action, located at 700 Bryden Road, Columbus, OH 43215-4839, phone: 614.252.2799, fax: 614.252.2793, website:

#### www.impactca.org

The availability of these Energy Assistance Programs; PIPP, HEAP and the Winter Crisis Program, will hopefully lend a helping hand this season. HUD encourages all owners and managers to familiarize themselves with these programs and share this information with their tenants.

# **Woodsview Place Transformation A Success**

By Marla Sparks

Woodsview Place was originally built as Glenburn Village in Huber Heights, Ohio in 1970. The property was built under the 236 Program to house families. The eleven building, 76-unit property consists of 8 one-bedroom, 48 two-bedroom, 18 three-bedroom and 2 four-bedroom units. In 1994 Michaels & Kohl, Inc. took over the management of the property. At that time, the property had twenty one vacancies, some of which had been vacant for several years and completely stripped of all parts. Project payables exceeded \$32,000 and monthly gross rent potential was approximately \$21,000. No existing vendors would extend credit and no new accounts could be opened due to the property's poor credit history.

During their first 6 months managing, Michaels & Kohl, Inc. reduced expenses by \$50,000, including reducing property insurance while increasing coverage, lowering real estate taxes and cutting audit expenses. Payables were trimmed to \$5,000. Improvements were made in the tenant receivable process by eliminating payment plans and implementing timely eviction processing.

Building exteriors were in desperate need of renovation. Aged wood siding was badly deteriorated on some of the buildings. Each of the buildings also needed paint, and gutter and downspout replacement. All buildings still had the original single pane windows. With original furnaces as well, utility costs, which were on

master meters, were particularly high.

Additional HUD funding sources such as Section 8 and Flexible Subsidy were not available to assist in the needed improvements in the property. Therefore, Michaels & Kohl, Inc. pursued improving the property on their own. They purchased siding and paint and accepted the donated help of maintenance crews from other Michaels & Kohl, Inc. properties from as far away as Columbus, Ohio. Building exteriors were repaired, sided and painted. Many Saturdays were spent in Huber Heights rehabbing eight of the eleven buildings.

However, other "big ticket" items such as roofs and furnaces, all original, were of great concern. Attaining additional funds would be necessary in order to continue the property's recovery. A partnership with HUD spearheaded by Senior Project Manager Lynn Zapp of the Columbus HUD office provided the

needed financial connection. Woodsview Place was introduced to County Corp., who, with additional financial assistance from the City of Dayton, approved the property for a low interest loan for the necessary replacements of windows, furnaces, roofing, siding and the rehabilitation of the long term vacancies.

The transformation is now complete. The physical and

financial renovation of the property has increased its marketability and Woodsview Place is now fully occupied. The property has open accounts with past vendors and has been extended credit from new vendors. The replacement reserve is again being funded and the property has been able to keep payables to a minimum. Michaels & Kohl, Inc., which did not collect management fees throughout the turnaround, is now being paid monthly.

The combined efforts of the property's ownership board, Michaels & Kohl, Inc. and HUD have increased Woodsview Place's value as an asset and restored its worth to its shareholders. HUD would like to acknowledge the perseverance of Michaels & Kohl, Inc., most specifically its principles Michael and Nancy Miller. Congratulations on a job well done for Woodsview Place.



# Sunbury Park Celebrates 10th Anniversary

By Pamela Huson-Douglas

On July 30, 2009 Sunbury Park celebrated its 10<sup>th</sup> year anniversary with a catered luncheon and entertainment by a barbershop quartet. In keeping with the tradition of "tin" for 10-year anniversaries, residents and guests were treated with gifts – a roll of *tin* foil, a *tin* cookie cutter, and a *tin* full of candy. Rumor has it that a new tradition for 10<sup>th</sup> anniversaries is to give diamonds. Regrettably, this exceeded the budget. Nevertheless, the festivities were enjoyed by all.

Sunbury Park is a 24-unit senior housing community in Sunbury, Ohio funded under the Section 202 Capital Advance program. Among the many in attendance were five

current residents who have lived at the property since it first opened. Franklin Foundation is the owner/sponsor of the

property and it is managed by Franklin Senior Housing Management.

Right: Residents of Sunbury Park



CAOM's Corner Page 6

By Janice O'Dell

Please be aware of the following updates:

<u>Handbook 4350.1 Chapter 6 Revision</u> Status:

HUD Handbook 4350.1, Chapter 6, Conducting Management Reviews: The implementation date has been delayed until March 1, 2010.

#### **RHIIP** Listserv information:

Following are a synopsis and content highlights for several recent RHIIP Listserv notifications. HUD recommends that all owners and agents sign up for the RHIIP Listserv notifications as they are an invaluable tool for keeping up-to-date with HUD policies and procedures.

To sign up to receive future RHIIP Listserv notifications, or access archived RHIIP Listserv information which contains important EIV information and Occupancy information, please use the following web link to RHIIP's homepage:

 $\frac{http://www.hud.gov/offices/hsg/mfh/}{rhiip/mfhrhiip.cfm}$ 

RHIIP Listserv #186 - Reissuance and

Clarification of VAWA Notice and No Social Security COLA in 2010 sent October 30, 2009: The VAWA initial Notice H08-07 has been reissued under Notice H09-15. The name and language have not changed. The Listserv provides clarification on the implementation of the Notice and the Addendum. Also in the Listserv we were advised that there will be no cost-of-living-adjustment for Social Security receipts in 2010.

RHIIP Listserv #184 - Published - Refinement of Income Proposed Rule and Correction to Listserv #182 sent October 15, 2009: A proposed rule, "Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of Enterprise Income Verification - Proposed Amendments". The proposed final rule published in the CFR addresses comments received from the first issuance of the Final Rule dated January 27, 2009. Topics addressed in the October 15. 2009 posting are: Disclosure of SSN, Use of EIV, Maintaining current definition of Annual Income, Withdraw amendments previously proposed regarding noncitizens. The proposed rule

can be found at the following web link: <a href="http://edocket.access.gpo.gov/2009/pdf/">http://edocket.access.gpo.gov/2009/pdf/</a> E9-24809.pdf

RHIIP Listserv #176 - Notice on State Lifetime Sex Offender Registration Issued sent September 11, 2009: Notice H 2009-11 restates current regulatory requirements that must be followed by owners and agents when performing criminal history background checksspecifically for determination if the applicant/tenant is subject to life time registration as a Sex Offender. "The Notice also strongly encourages that owners and management agents establish standards and processes with a zero tolerance approach to prevent lifetime sex offenders from receiving federal housing assistance." Owners and agents are provided with strongly recommended processes to help them meet these regulatory requirements.

The above Housing Notices can be found on HudClips at the following web link: <a href="http://www.hud.gov/offices/adm/hudclips/notices/hsg/">http://www.hud.gov/offices/adm/hudclips/notices/hsg/</a>

# **Assisted Living Conversion Program Grant Permits Assisted Living Services**

By Marianne Marinucci

Gahanna Mayor Becky Stinchcomb and Hub Director Scott Hunley joined the sponsor and residents of Stygler Commons on September 23<sup>rd</sup> to celebrate the project's grand re-opening. Stygler Commons is a 32-unit affordable senior housing community originally developed by National Church Residences in 1990 as an affordable housing community for seniors age 62 and older under the 202 housing program. With the help of a Assisted Living Conversion Program (ALCP) grant from HUD, the property recently underwent renovations which will allow the property to provide assisted living services to residents under the Medicaid assisted living waiver program. The conversion of Stygler Commons to a licensed, affordable assisted living facility is the first of its kind in Ohio.

Speakers at the grand re-opening included:

Becky Stinchcomb, Mayor, City of Gahanna

Scott Hunley, Director, Columbus Multifamily HUB, U.S. Department of Housing & Urban Development

Cindy Farson, Executive Director, Central Ohio Area Agency on Aging

Thomas W. Slemmer, President & CEO, National Church Residences Ronald Adams, Chairman, National

Church Residences Board of Directors John Millker, Resident, Stygler Commons



Stygler Commons, Gahanna, Ohio

#### **DEVELOPMENT CORNER**

By Chris Cook

### Conventional Financing "Credit Crunch" Impacts HUD Multifamily

Due to current difficulties in the conventional funding market, more multifamily property owners and developers are now utilizing HUD-insured programs than in recent years. In the past, many developers in good standing with their local banks would use a conventional line of credit or Commercial Mortgage Backed Securities (CMBS) to finance the construction, purchase or refinance of multifamily properties. In the present market, this is less available. The Federal National Mortgage Association (FNMA) has revised its underwriting requirements, and in many cases, development projects that would previously have been approved by FNMA have experienced difficulty in obtaining appropriate funding.

The impact of the credit crunch has been significant. However, many have been pleasantly surprised that the various HUD mortgage insurance programs are still available, as they have been since their inception. In fact, several programs have been streamlined to address current market needs, such as for development involving Low Income Housing Tax Credits. Therefore, HUD-approved lenders are submitting more finance applications than they have previously. Specifically, current Hub-wide Multifamily Production activity is up 130% from the end of 2008. HUD is pleased to be able to assist these owners and developers and wants to remind everyone to take a second look at all the programs that are available.

# Neighborhood Networks Arbor Park Recognized

By Bonnie Sims

The bi-annual Regional Technical Assistance Workshops (RTAW) and Neighborhood Networks Convention (NNC), which was hosted in Philadelphia this year, saw an attendance of over 300 including approximately 25 attendees from the Department of Housing and Urban Development. The convention held in mid-July, offered numerous sessions on informative topics designed to assist attendees.

Several sessions discussed strategies and best practices for encouraging resident participation within HUD properties through the Neighborhood Network program. There was also a general session which focused on technology and its impact on Neighborhood Networks. All of the HUD attendees had a unique opportunity to participate in a session with Deputy Assistant Secretary Carol Galante, during which many shared personal anecdotes regarding Neighborhood Networks' suc-

cesses and failures. Concerns over the program's current and future funding levels were also discussed.

During the workshop Arbor Park Village, a family property in Cleveland, was recognized for reaching Neighborhood Network Model Classification. A beautiful plaque



was presented to the Director for the Center, Iris Anderson and the Property Manager, Stephanie Davis. Model classification is the highest of the three classifications attainable by Centers. It requires documented achievement of seven of the nine Model standards, and clear demon-

stration of excellence in the program. There are over 800 Neighborhood Networks Centers across the country. Arbor Park is the 14<sup>th</sup> property to achieve Model status.

Pictured left to right: Iris Anderson, Director; Bonnie Sims, HUD Project Manager, and Stephanie Davis, Property Manager By Marianne Marinucci

Restoration Plaza of Barlow, a 30-unit project for the elderly in Barlow, Ohio officially opened May 20<sup>th</sup>. The project, funded under the Section 202 Capital Advance Program, is owned by Ohio Region Senior Citizen Housing Corporation V and managed by National Church Residences. The property was developed by Jean Yost, Land Developer; Northland Development, Contractor; and Bernardi Partners, Architects.

The grand opening was an exciting event for many of the people involved in the property's development, and several were present and spoke during the ceremony. Tours of the apartments and second floor community space were available. In attendance were Bonitta Stearns-Churchill, HUD Supervisory Project Manager and Terri Tamborini, with OSU Community Development for Washington County.

Other community partners representatives included; Little Hocking Water Company, White Oak Sewer Association, National

Church Residences, Sisters of Saint Joseph Charitable Fund and Community of Christ.



# **Recent Issuances**

- 09-20 Enterprise Income Verification (EIV) System
- 09-19 Fiscal Year 2009 Policy for Capital Advance Authority Assignments, Instructions and Program Requirements for the Section 202 and Section 811 Capital Advance Programs, Application Processing and Selection Instructions, and Processing Schedule
- 09-18 Policy and Procedures on Multifamily Mortgage Insurance Applications Involving Master Lease Structuring to facilitate the use of Tax Credits
- 09-17 Closing Costs Paid by the U.S. Department of Housing and Urban Development
- 09-16 Exclusion from Annual Income of Temporary Employment from the U.S. Census Bureau
- 09-15 Implementation of the Violence Against Women and Justice Department Reauthorization Act of 2005 for the Multifamily Project Based Section 8 Housing Assistance Payments Program
- 09-14 Multifamily Housing Accelerated Processing Guide: Chapter 9, Environmental Review
- 09-13 Supplemental Information to Application for Assistance Regarding Identification of Family Member, Friend, or other Person or Organization Supportive of a Tenant for Occupancy in HUD Assisted Housing
- 09-12 Eligibility of Projects for Mortgage Insurance where Construction has Started
- 09-11 State Lifetime Sex Offender Registration
- 09-10 Delegated Processing Procedures
  - Appendix 1—Proposed Delegation of Processing
  - **Appendix 2—Delegated Processing Agreement**
  - Appendix 3—Certifications
- 09-09 Housing Tax Credit Coordination Act of 2008
- 09-08 Temporary Authority for Multifamily Hubs to Process Waiver Request Pertaining to the Three-Tear Rule for Section 223(f)
- 09-07 Fiscal Year 2009 Social Security's One-Time Economic Recovery Payments Excluded from Income
- 09-06 Guidelines for Assumption, Subordination, or Assignment of Mark-to-Market (M2M) Program Loans in